



Notice of Submission for OMB Review; Federal Student Aid; Loan Verification Certificate for Special Direct Consolidation Loans

**SUMMARY:** This Loan Verification Certificate (LVC) will serve as the means by which the U.S. Department of Education (the Department) collects certain information from commercial holders of Federal Family Education Loan (FFEL) Program loans that a borrower wishes to consolidate into the William D. Ford Federal Direct Loan (Direct Loan) Program under a special initiative announced by the White House in an October 25, 2011 fact sheet titled “Help Americans Manage Student Loan Debt.” Loans made under this initiative are known as Special Direct Consolidation Loans. The information collected on the LVC includes the amount needed to pay off the loans that the borrower wants to consolidate and other information required by the Department to make and service a Special Direct Consolidation Loan.

**DATES:** Interested persons are invited to submit comments on or before [insert the 30th day after publication of this notice].

**ADDRESSES:** Written comments regarding burden and/or the collection activity requirements should be electronically mailed to [ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov) or mailed to U.S. Department of Education, 400 Maryland Avenue, SW, LBJ, Washington, D.C. 20202-4537. Copies of the proposed information collection request may be accessed from <http://edicsweb.ed.gov>, by selecting the “Browse Pending Collections” link and by clicking on link number 04857. When you access the information collection, click on “Download Attachments” to view. Written requests for information should be addressed to U.S. Department of Education, 400 Maryland Avenue, SW, LBJ, Washington, D.C. 20202-4537. Requests may also be electronically mailed to [ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov) or faxed to 202-401-0920. **Please specify the complete title of the information collection and OMB Control Number when making your request.**

Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

**SUPPLEMENTARY INFORMATION:** Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) requires that Federal agencies provide interested parties an early opportunity to comment on information collection requests. The Acting Director, Information Collection Clearance Division, Privacy, Information and Records Management Services, Office of Management, publishes this notice containing proposed information collection requests at the beginning of the Departmental review of the information collection. The Department of Education is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Loan Verification Certificate for Special Direct Consolidation Loans

OMB Control Number: 1845-0111

Type of Review: Extension

Total Estimated Number of Annual Responses: 62,633

Total Estimated Number of Annual Burden Hours: 3,131,650

Abstract: The purpose of the special consolidation initiative is to encourage borrowers who have both commercially-held FFEL Program loans and other loans that are held by the Department (either Direct Loan Program loans or FFEL Program loans previously sold to the Department by a FFEL Program lender) to consolidate their commercially-held FFEL Program loans into the Direct Loan Program. Currently, these borrowers have at least two loan servicers and are required to make at least two separate monthly payments on their federal education loans. This makes repayment more difficult and increases the likelihood of a borrower becoming delinquent or going into default. For a borrower who has both commercially-held FFEL Program loans and Department-held loans, consolidation of the commercially-held loans into the Direct Loan Program will simplify repayment by allowing the borrower to make a single monthly loan payment to one entity (a federal loan servicer under contract to the Department), thereby reducing the likelihood of delinquency or default. As an incentive for borrowers to consolidate under the special initiative, the Department is offering reduced interest rates on Special Direct Consolidation Loans.

Dated: May 10, 2012

Kate Mullan, Acting Director  
Information Collection Clearance Division  
Privacy, Information and Records Management Services  
Office of Management

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